STANDARD FORM NO. 64

SECRET

Office Memorandum • UNITED STATES GOVERNMENT

TO : ARA - Mr. Woodward

DATE: June 23, 1954

FROM : MID - Mr. Hill

SUBJECT: Plan of Action in Event Arbenz Government is Overthrown

I have read your memorandum of June 23 about what we should do in the event Arbenz is overthrown and thoroughly approve of your recommendations in as far as they go.

There does seem to me, however, one striking omission: what we will do about the land and agricultural question. The Guatemalan agrarian reform is now, I believe, more central in the Guatemalan people's mind than the Fruit Company issue. Many disapprove of the way the Communists have implemented it and, of course, the landowners are utterly opposed to any really workable plan. However, the great mass of people probably want some form of agrarian reform to continue, and to have assurance that land property expropriated and handed out will not be taken away. This is the issue above all others which shape the Guatemalan people's support of their new Government.

I would, therefore, propose that you consider (a) preparing a draft telegram for our Embassy instructing it to get in touch with the new Government, and while making it clear we do not endorse the existing Agrarian Reform Law, it express in strong terms that the U.S. is in sympathy with genuine agrarian reform and is willing to help Guatemala work out the problem, (b) drawing up a plan as to how this Government might help in a concrete problem.

I might add that announcing a health program without an agricultural program would probably be taken in Guatemala as a sign that the United States was side-stepping the agrarian question and tacitly encouraging a return to the past.

ARA:MID:JCHill:mem

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